

Arizona Department of Agriculture



Five – Year Strategic Plan

FY 2014 – FY 2018

Donald Butler, Director

MISSION STATEMENT

To regulate and support Arizona agriculture in a manner that encourages farming, ranching, and agribusiness while protecting consumers and natural resources.

AGENCY DESCRIPTION

The Arizona Department of Agriculture regulates agricultural production and processing within the State, educates industry to foster compliance with applicable regulations, promotes the general welfare of the agricultural community, informs the consumer, and protects the public health and safety. The Animal Services Division protects and improves the health, quality, and marketability of Arizona livestock and conducts food quality and safety inspections of meat, dairy and egg products. The Environmental Services Division registers, licenses and samples feed, fertilizer, seed and pesticide companies or products, enforces agricultural pesticide use compliance, trains and certifies pesticide applicators, and enforces native plant laws. The Plant Services Division safeguards agriculture, food and the environment from the risks associated with the entry, establishment and spread of plant pests, diseases and noxious weeds thereby promoting agricultural sustainability, market access and competitiveness. The State Agricultural Laboratory provides forensic, product quality, food safety and other agricultural laboratory analysis, identification, certification and training services to the regulatory divisions of the Department and others. The Citrus, Fruit and Vegetable Standardization Program licenses produce packers, dealers, and shippers, conducts food safety audits, and manages the Federal-State Inspection Program through a cooperative agreement with the United States Department of Agriculture. The Agricultural Consultation and Training (ACT) Program increases voluntary compliance and awareness of regulatory requirements, provides education on pesticide safety, air quality and agricultural conservation, administers two grant programs and provides administrative support for the citrus, lettuce and grain commodity councils and the Agricultural Employment Relations Board.

STRATEGIC ISSUES

Strategic Issue 1: Protect the Food Supply, the Public and the Environment

Arizona agriculture is a \$10.3 billion industry that benefits major metropolitan areas of the State as well as significantly contributes to the economic well-being of rural communities through employment opportunities, etc. The Arizona Department of Agriculture serves to protect the food supply, the public and the environment. The Department is responsible for safeguarding citizens and the agricultural industry from pests and diseases and assuring the safety of the production, processing and delivery of our food supply including milk, eggs, meat, vegetables and fruits. Increased execution of various trade agreements has resulted in a higher incidence of trade into and out of the United States and, subsequently, Arizona. Many pests common to foreign countries present a significant threat to Arizona's agricultural industry, public well-being and associated quality of life. As more commerce enters Arizona, and significant weather events continue, the risk of introducing plant pests or diseases from other states or foreign countries increases. Emerging animal diseases, some of which affect humans such as Avian Influenza, demand Department emergency preparedness and strengthened bio-security activities. The Department's regulation of the feed, fertilizer, pesticide, meat, dairy and egg industries ensures consumer safety. The Department's Divisions require a well-staffed and well-equipped laboratory to provide the scientific data necessary for meeting the Department's mission.

General Fund budget reductions since FY 2002 have challenged the Department to successfully reengineer itself. The Department's FY 2013 General Fund budget of \$7.9 million is 19% lower than the agency's first budget of \$9.8 million in FY 1991. The reengineering forced the Department to reduce or eliminate several programs. One such program was the agricultural inspections at the State border ports of entry, the elimination of which has resulted in increased infestations within the State's interior. The Department's first budget in FY 1991 relied on the General Fund for 59% of its funding; in contrast, the Department's current, FY 2013 budget relies on the General Fund for only 31% of its funding. Service fees to the agricultural industry provide 46% and federal grants provide the remaining 23% of the Department's revenue. The

Department's increasing dependency on federal funds leaves its ability to perform its duties in the hands of the federal government. Although there are programs that should be funded federally, the main responsibility for maintaining a healthy agricultural industry should be in the hands of the State.

Estimated FY 2013 federal funding is 8% below FY 2012. The Department is extremely concerned with the possibility of a significant reduction in federal grant funds for the next federal fiscal year and in future years. The United States Department of Agriculture's (USDA) budget has been reduced and additional decreases are projected to exceed 15%. To maintain the same level of service, to maintain the same level of food security, to maintain the same support for an industry that generates billions of dollars to Arizona's economy and thousands of jobs, it will be necessary for the State to pick up any slack generated by the decreases in federal funding. And as Arizona grows, additional funds will be needed to meet the challenges of not only a growing population but also increased scrutiny of our food sources.

The General Fund resource assumptions for FY 2016 through FY 2018 reflect that a growing budget will be needed to service a growing population and offset the loss of federal funds.

Strategies:

- Recognize, involve and improve communications to constituencies, the public and employees.
- Prioritize and focus on the products and services most critical to serving the public and agricultural constituencies.
- Increase the efficiency of the Department's service delivery processes and systems.
- Align the organizational structure to optimize effectiveness and reduce costs.

Strategic Issue 2: Employee Development

In response to budget reductions since FY 2002, the Arizona Department of Agriculture is operating with 29% leaner staffing levels. Consequently, the need to have employees with the right expertise is more critical today. Furthermore, 34% of the Department's employees will be eligible to retire over the next five years. Our continued focus moving forward will be the implementation of strategies to mitigate the impact of those anticipated departures of our valuable employees and to develop recruitment measures to attract top talent. This includes a review of Department salaries to ensure that they are competitive with other state agencies and public entities.

Strategies:

- Revise rules and policies consistent with Personnel Reform.
- Conduct a study of Department salaries compared to other state agencies and public entities.
- Develop a strategy for achieving classification and compensation parity with other agencies and public entities.
- Develop an ability to recruit talented, highly qualified employees.
- Work with the Governor's Office to make state employee compensation competitive.

Strategic Issue 3: State and Federal Cooperation Required

State General Funds provide 31% of the Arizona Department of Agriculture's FY 2013 budget, while fees to the agricultural industry for provision of services provide 46%, and federal grants provide 23%. The Department is extremely concerned with the possibility of a significant reduction in federal grant funds for the next federal fiscal year. The United States Department of Agriculture's (USDA) estimated FY 2013 funding is 8% below FY 2012. In addition, further USDA budget reductions are projected to exceed 15%. Many of the Department's programs have been significantly impacted with the current and projected federal funding reductions.

Furthermore, federal agencies have reduced their presence in Arizona. For example, USDA Animal and Plant Health Inspection Service (APHIS) Veterinary Services closed its Arizona office and consolidated its Arizona functions with those of New Mexico at an office based in Albuquerque. Actions like this make it more difficult for our Department and Arizona constituents to receive required federal assistance in a timely manner and it deemphasizes Arizona's specific issues.

As Federal reductions continue, USDA and other federal agencies will increase their reliance on state agency partners. As the Department continues to search out federal grants and cooperative agreement funding, there is an increasing challenge to be able to provide the necessary matching funds required by an increasing number of agreements. Required state matching funds for agreements range from 15% to 50% of the grant award and, since the state matching funds must originate from non-federal funding sources, General Fund or industry fee funding must be utilized for the matching dollars.

Strategies:

- Pursue opportunities for cooperative and collaborative agreements to leverage federal and state funds together to accomplish varied programmatic goals.
- Work with the Governor's Office to minimize the impact of federal budget cuts on Arizona's agricultural engine.
- Work with state and federal officials to help ensure as much federal funding as possible remains available to help the agency protect Arizona's citizens.

Strategic Issue 4: Maintain an Information Technology (IT) System that is Customer Centric

Every person within the Department is dependent on Information Technology (IT) to carry out legislative mandates. IT is a critical support structure for the Department's regulatory and customer service delivery efforts. In order to achieve its primary mission, the Department must have the ability to keep its IT systems in line with technology advancements that improve security, productivity and stakeholder access, and must have adequate salary structures to retain qualified and competent IT staff to maintain and improve those systems. Key to the Department's mission is the timely dissemination of accurate information through various electronic means to the regulated community, the public, and to our employees. The technology must support up to 315 Department employees including four outlying Department offices and twenty animal health and welfare field staff. Furthermore, the technology must provide web-based services to the thousands of stakeholders served by the Agency throughout the State. Regular equipment replacement schedules, ongoing maintenance and software licensing, and IT staff education and training are essential for the Department to be able to provide consistent, accurate, and timely information to mitigate technology disasters, deal with emergencies, and carry on daily operations in an efficient, secure environment.

Strategies:

- Leverage IT resources to provide web-based services to the regulated community.
- Develop the safest, most effective means of delivering electronic information to concerned parties.
- Meet the increasing challenges of data and infrastructure security.
- Identify and prioritize the modernization/replacement of the Department's IT systems.
- Fund regular technology replacement schedules, ongoing maintenance and software licensing.
- Develop a strategy for ensuring commensurate salary funding for IT staff.
- Ensure IT staff members receive necessary training.

Resource Assumptions (agency level)

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
	Appropriation	Budget Request	Budget Request	Estimate	Estimate	Estimate
Full-time-equivalent (FTE)	315.4	315.4	315.4	315.4	315.4	315.4
General Fund	7,927,100	8,073,400	8,062,900	10,373,300	11,672,330	13,036,312
Other Appropriated Funds	-	-	-	-	-	-
Non-Appropriated Funds	11,887,200	10,736,500	10,365,900	10,365,900	10,365,900	10,365,900
Federal Funds	6,166,300	6,166,300	6,166,300	5,241,400	5,241,400	5,241,400
Total Agency Funds	25,980,600	24,976,200	24,595,100	25,980,600	27,279,630	28,643,612